

AG-Hess 1-1 Please refer to Exhibit RSB-1, lines 7-19. Clarify whether Hess Corporation (“Hess”) maintains that Bay State Gas Company (“Bay State” or “Company”) should install this metering and explain its reasons for this position. Provide any supporting documentation.

Response:

Hess is not taking a position on the installation of any metering at this time. Rather Hess was suggesting a simpler alternative in the event the Department Orders Bay State to install metering for grandfathered customers in this proceeding. Hess believes the issue of metering should be evaluated, both from the perspective of maximizing the current system and units deployed, as well as for any changes or improvements which are necessary to improve reliability and ultimately minimize costs for customers on the Bay State system.

AG-Hess-1-2 Please refer to Exhibit RSB-1, lines 7-19. State whether Hess maintains that the Company could cost effectively install metering and explain its reasons for its position. Provide any supporting documentation.

Response:

Please see Hess' response to AG Hess 1-1. Hess has not performed any analyses of various metering alternatives available to Bay State including their costs or benefits. Hess was simply trying to point out that there may be some less expensive alternatives to the metering and flow control equipment evaluated by Bay State, and that the analysis should be performed to determine them.

AG-Hess-1-3 Please refer to Exhibit RSB-1, lines 7-19. Please state whether grandfathered customers, the Company, or some other entity or group should pay for the installation of metering. Please explain.

Response:

Please see Hess' response to AG Hess 1-1 and 1-2. The answer as to who bears the responsibility of such costs cannot be answered until the analysis is performed to determine the options available and their associated costs. It would be inappropriate to assign cost responsibility until it is determined which measures will be utilized to improve metering and the costs associated with those measures. Once that assessment is possible, determining factors for cost responsibility should include evaluation of which group is primarily responsible for causing the expense, which group derives the primary benefits of such assets, and whether some apportionment of responsibility is appropriate.